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Honorable Lynette Gibson McElhaney
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Honorable Annie Campbell Washington
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Honorable Abel Guillén
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Honorable Dan Kalb
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Date: June 30th, 2016

To: President Pro Tempore Larry Reid and
Members of the Community and
Economic Development Committee

Cc: Sabrina Landreth, City Administrator
Claudia Cappio, Assistant City Administrator

Re: Short Term Residential Rental Regulations

RECOMMENDATION

Adopt a resolution to issue an official statement of policy to implement regulations pertaining to short term residential rental housing via transient residential hosting platforms pursuant to future amendments to Oakland Municipal Code and Oakland Planning Code.

EXECUTIVE SUMMARY

Councilmembers Guillén and Kalb, Council President McElhaney, and Vice Mayor Campbell Washington request that the City Council approve a resolution directing the Planning and Building Department and the Oakland City Planning Commission to prepare the appropriate legislation required to effectively regulate short term rentals (STRs, also known as a Short Term Residential Rentals) in the City of Oakland. The resolution further states that it is the desire of the City Council to create a regulatory system where residents are able to responsibly offer their primary residences as a STR as long as this activity does not impact the quality of life of neighbors, reduce the supply of long term rental housing, or displace residents.

BACKGROUND / LEGISLATIVE HISTORY

STRs raise important questions about local priorities and the larger role STRs play in cities and neighborhoods. In cities with high housing demand, such as Oakland, a primary concern is the impact of STRs on housing availability, affordability, and the impact on our neighborhoods.

Currently, there are no laws or regulations in the Oakland Municipal Code or Oakland Planning Code that specifically address short term residential rentals. Like many municipalities across the United States, Oakland's laws and codes are insufficient to address the rapid expansion and use of Transient Residential Hosting Platforms (TRHPs) such as Airbnb, FlipKey, and VRBO to rent spaces in their homes on a short-term basis.



Item: _____
CED Committee
July 12, 2016

On February 16, 2016, the Oakland City Council adopted C.M.S. 13357 which amended the requirements to build a secondary dwelling unit in addition to a number of other planning code amendments. In the lead up to the adoption of this legislation, many stakeholders raised concerns about STRs. The Planning Commission, residents and Councilmembers questioned how short term rentals would impact the quality of life of residential neighborhoods and how the lack of regulations for STRs would interact with newly relaxed restrictions on building secondary units. At each instance, staff reiterated that short term rental policy would be most appropriately discussed on a city-wide basis at a later date.

This resolution moves forward that process and asks that the Planning and Building Department and Oakland City Planning commission bring their expertise and analytical abilities to bear in creating a proposal on how to effectively and fairly regulate short term rentals.

ANALYSIS

This resolution directs the Planning and Building Department and the Oakland City Planning Commission to prepare the appropriate legislation required to effectively regulate short term rentals in Oakland. In addition, the resolution provides those bodies with a number of policy goals as well as regulatory options that the Council seeks to explore.

Goals:

1. Creation of a regulatory system that allows for short term rentals but mitigates their potential negative consequences. STRs in neighborhoods should not result in a reduction in the supply of rental housing, especially affordable rental housing, increased parking congestion, or increased nuisances that may reduce residents' quality of life.
2. Full collection of the transient occupancy tax and business license fee from all STR operators.

Policy options to be considered:

1. Set clear definitions that distinguish STRs from commercial hotels;
2. Allow STR only if the home is the primary residence of the operator. If there is a secondary unit, require that there is an owner occupying one of the two units. It is critically important to ensure that long term housing is not lost to conversions to full time 'STR hotels' or permanently rented vacation homes;
3. Require that TRHPs provide data to the City to aid in monitoring and enforcement;
4. A registration system to track the proliferation of STRs and improve enforcement and monitoring of laws and regulations;
5. Penalties for STR operators who do not obtain a business license; and
6. Potential inspections of some STR units to ensure the health and safety of visitors.

The resolution initiates the process for the City Council to consider legislation before calendar year 2017 that seeks to achieve the aforementioned goals through effective regulation of short term residential rentals.

FISCAL IMPACT

There is no fiscal impact to the adoption of this resolution.

PUBLIC OUTREACH/ INTEREST



This resolution follows directly from the advocacy of many community groups eager to see the adoption of short term residential rental regulations. Councilmembers discussed the need for regulations with many community organizations such as the East Bay Housing Organization, Sustainable Economies Law Center, and neighborhood organizations such as the Grand Lake Neighbors and Lakeshore Homes Association.

COORDINATION

This resolution was developed in coordination with the Planning and Building Department, the City Administrator's Office and the City Attorney's Office.

SUSTAINABLE OPPORTUNITIES

Economic: Creating certainty for STR operators may encourage greater legitimate use. Also, STR may bring greater tourist spending throughout all the neighborhoods of Oakland.

Environmental: None.

Social Equity: The ability to legally rent STR may allow many low income homeowners to supplement their income and remain in their homes.

For questions regarding this report, please contact Maria Henderson, Office of Councilmember Guillén, MAHenderson@oaklandnet.com, Phone: (510) 238-7021, Adam Simons, asimons@oaklandnet.com, Phone (510)238-7042; Alex Marqusee, amarqusee@oaklandnet.com, Phone (510)238-7031.

ACTION REQUESTED

Adopt a resolution to issue an official statement of policy to implement regulations pertaining to short term residential rental housing via transient residential hosting platforms pursuant to future amendments to Oakland Municipal Code and Oakland Planning Code.

Respectfully submitted,



Councilmember Guillén



Councilmember Kalb





Council President Gibson McElhaney



Vice Mayor Campbell Washington

